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R 252205Z OCT 06
FM AMEMBASSY BELIZE
TO RUEHC/SECSTATE WASHDC 0629
INFO RUEHZA/WHA CENTRAL AMERICAN COLLECTIVE
RUEHLO/AMEMBASSY LONDON 0292
RUEHBH/AMEMBASSY NASSAU 1248
RUEHKG/AMEMBASSY KINGSTON 1453
RUEHPU/AMEMBASSY PORT AU PRINCE 0526
RUEHSP/AMEMBASSY PORT OF SPAIN 1230
RUEHGE/AMEMBASSY GEORGETOWN 1255
RUEHPO/AMEMBASSY PARAMARIBO 1015
RUEHDG/AMEMBASSY SANTO DOMINGO 1022
RUEHWN/AMEMBASSY BRIDGETOWN 1442
RUEHCV/AMEMBASSY CARACAS 0084
RUEHME/AMEMBASSY MEXICO 2585

UNCLAS BELIZE 000937

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STATE FOR WHA/CEN//JASON MACK
STATE PLEASE PASS TO EXIM//MICHELE WILKINS AND MICHELLE D. MILLER
STATE PLEASE PASS TO DEPARTMENT OF ENERGY

E.O. 12958: N/A

TAGS: [ECON](#) [EFIN](#) [ENRG](#) [EPET](#) [PREL](#) [SOCI](#) [BH](#)

SUBJECT: BELIZE: GOB CONSTRUCTING HOLDING TANKS FOR
VENEZUELA OIL UNDER PETRO-CARIBE DEAL

¶1. On October 18, Econ FSN spoke with Zaid Flores, General Manager of the Belize Banana Grower's Association and one of three owners/directors of the Big Creek Port, who confirmed that the Government of Belize (GoB) has contracted the services of the Big Creek Port to handle all on-ground logistics for the construction of holding tanks for Venezuelan oil under the Petro-Caribe arrangement.

The GoB project, according to Flores, calls for the construction of four to five holding tanks. Flores noted that the other two owners/directors of the Big Creek Port are Mike Dunker and Tony Zabaneh, both major owners of banana plantations in southern Belize.

¶2. Econ FSN also spoke with Exxon Mobil country representative Guillermo Alamina on October 24, who said that "the entire GoB-Petro Caribe deal is shrouded in secrecy" because every time he tries to get information about the arrangement from the GoB, "no one wants to talk." Alamina added that his staff visited the Big Creek Port recently and observed the construction of two holding tanks on land owned by Dunker that is inside the port compound and adjacent to the Belize Natural Energy fuel depot. Alamina's staffers believe that these two tanks under construction are the GOB's - a revelation that Flores did not disclose.

¶3. Alamina confided that not too long ago Luke Espot, owner of the Ports of Belize Limited, offered to purchase the Exxon Mobil fuel depot near Port Loyola in Belize City "to accommodate Venezuelan oil." Alamina explained to Espot that Exxon Mobil's terminal was not for sale, but that he would nonetheless forward the offer to the company's headquarters. As expected, Exxon Mobil turned it down. Upon hearing this, Espot replied that he would go ahead and build a terminal anyway.

¶4. A visiting U.S. businessman told Ambassador and DCM that he had seen the construction site at Big Creek and observed that the tanks were poorly built. For example, there is presently no catchment basin to contain spills and the welding is of poor quality. He also noted that the proposed method of transferring Petro-Caribe oil from ship to tank was unsafe. He expressed concern that operations at the tank farm would eventually result in a major oil spill.

DIETER